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SIPDIS

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TAGS: PGOV PREL UP

SUBJECT: TYMOSHENKO BLOC IN EFFORT TO REUNITE ORANGE CAMP;  
YUSHCHENKO MAY FACE REVOLT IN HIS FACTION

Classified By: Ambassador for reasons 1.4 (b,d).

SUMMARY

¶1. (C) President Yushchenko announced on October 20 the suspension of his decree dissolving the parliament, but still called for early parliamentary elections December 14. Yushchenko also called on the Rada to pass a package of legislation to combat the worsening economic situation and to amend the 2008 budget to finance early elections. The Tymoshenko Bloc (BYuT) sees the suspension of the dissolution decree as a narrow window of opportunity to reconstitute a coalition with its erstwhile partner, the Our Ukraine-People's Self Defense (OU-PSD) bloc. BYuT MPs note the threat of a financial meltdown and the specter of losing their seats appears to be turning many OU-PSD members against their faction's leadership -- and Yushchenko. End Summary.

BYUT PURSUES OU-PSD

¶2. (C) The suspension of President Yushchenko's dissolution decree has opened a narrow window of opportunity for BYuT to work with OU-PSD MPs to form a new majority coalition in the Rada, according to BYuT MP Ostap Semerak. Semerak informed us that 57 of 72 OU-PSD MPs voted on October 21 against including Yushchenko's election funding request on the Rada's agenda. Semerak claims the vote is a sign that a majority of OU-PSD is now against early elections and open to a new coalition with BYuT. BYuT MP Serhiy Sobolyev told us BYuT was working with OU-PSD MP Katerynchuk to have these MPs force OU-PSD faction leaders to enter into a revised coalition with BYuT. He said that BYuT is assured that if OU-PSD signs on to a deal, the Lytvyn bloc will also agree. Adding the Lytvyn bloc's 20 votes to BYuT's 156 and the 57 prospective OU-PSD votes would create a 233-vote majority.

¶3. (C) Sobolyev said that BYuT's current effort to block the rostrum in the Rada (to ensure no election funding is passed before the 2009 budget and financial crisis legislation is addressed) will also buy the bloc more time to clinch a coalition deal. He underlined that even if a coalition deal fails, BYuT will continue to delay early elections through the courts. Sobolyev noted that although Yushchenko announced that the pre-term election was being delayed until December 14, no date was actually included in the President's new decree.

ALTRUISM AND SELF INTEREST

¶4. (C) OU-PSD MPs are worried about the effects of an election in the midst of a domestic financial crisis and are concerned that they may lose their seats, according to

Sobolyev. He said that the real scale of Ukraine's economic situation is only now starting to become clear to most MPs in the Rada. BYuT's commitment to countering the financial crisis before deciding on elections is resonating with many MPs. Semerak added that OU-PSD MPs are watching their party's internal polls and are worried they will lose their seats because of the sharp decline in support since last year's election. OU-PSD MPs are also being impacted by rumors swirling about who will and won't be included on the new party list. Semerak said that BYuT thinks that a majority of OU-PSD members are now willing to convene a faction meeting and vote to force the faction leadership to join with BYuT. If faction leader Kyrylenko refuses then he could either be voted out or deputy faction leader Tarasyuk could sign an agreement.

#### YUSHCHENKO LOYALIST'S REBUTTAL

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¶ 15. (C) Not all OU-PSD MPs agree with BYuT's assessment. OU-PSD bloc MP Lyilyia Grigorovych of People's Union Our Ukraine (PUOU) told us that most OU-PSD deputies support Yushchenko's call for new elections. She said that almost everyone in the Rada recognizes that elections are the only democratic way to overcome the current political impasse. Grigorovych acknowledged that the date of the election was still unclear because of a lack of funding and legal challenges, but she was sure that the election would happen sooner rather than later. She said that Tymoshenko was trying to make voters think that Ukraine's economic problems are the result of Yushchenko's call for early elections and that stopping the election would end the looming financial

crisis. Grigorovych felt strongly that all of Tymoshenko's efforts are aimed at keeping her position as Prime Minister so she can use government resources in next year's presidential campaign.

#### COMMENTS

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¶ 16. (C) The economic difficulties facing Ukraine are beginning to sink in for the country's legislators. Tymoshenko is benefiting from lawmakers' reluctance to risk their seats by campaigning as the threat of a financial meltdown looms. If the vote of OU-PSD Rada deputies against considering election financing can be taken as a vote against early elections, then Yushchenko may face a revolt within his own bloc.

TAYLOR